

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Salvatore Trovato ) MUR 5453  
 )

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. *See* 2 U.S.C. § 437g(a)(2).<sup>1</sup> The Commission found probable cause to believe that Salvatore Trovato ("Respondent") violated 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3).

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:

<sup>1</sup> All of the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA. All statements of the law in this agreement that are written in the present tense shall be construed to be in either the present or the past tense, as necessary, depending on whether the statement would be modified by the impact of BCRA or the regulations thereunder.

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1. The Giordano for U.S. Senate Committee (“the Committee”) is a political committee within the meaning of 2 U.S.C. § 431(4), and was Philip Giordano’s (“the Candidate”) authorized committee for his 2000 Senatorial race in Connecticut.

2. Respondent is, and at all time relevant to this matter was, the Candidate’s father-in-law.

3. Prior to implementation of BCRA, individuals were permitted to make contributions that did not exceed \$1,000 per election of any candidate for federal office. See 2 U.S.C. § 441a(a)(1)(2002).

4. Individuals were prohibited from making contributions in any calendar year which aggregate more than \$25,000. See 2 U.S.C. § 441a(a)(3)(2002).

5. Candidates for federal office can make unlimited expenditures from personal funds. The term “personal funds” as defined by Commission regulations, includes “gifts of a personal nature which had been customarily received prior to candidacy.” See 11 C.F.R. §§ 110.10(a) and (b)(2)(2002).

6. On March 20, 2000, the Candidate filed a Statement of Candidacy for the 2000 Senate race in Connecticut designating the “Giordano for U.S. Senate Committee” as his authorized committee.

7. On July 5, 2000, the Committee, and the Candidate as co-borrower, submitted a Commercial Loan Application requesting a \$300,000 loan from Patriot National Bank (“PNB”) to cover campaign expenses.

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8. On July 14, 2000, PNB approved the loan to the Committee and the Candidate in the amount of \$300,000, upon the condition that the loan is secured with 100% cash collateral.

9. On July 14, 2000, Respondent gave \$300,000 to the Candidate, which was placed on account at PNB in a certificate of deposit. In an interrogatory response Respondent contended that he "understood that [Candidate] would repay the \$300,000 as [he] became able to do so" and that he "loaned/gave" the money.

10. On July 14, 2000, the certificate of deposit was pledged as collateral for the PNB loan.

11. Respondent contends that he had a history of making frequent and generous gifts and loans to his children. Prior to the \$300,000 gift, however, Respondent had not made a single monetary gift in an amount over \$100,000 to the Candidate or any of the Respondent's children.

12. Respondent did not make any other contributions to the Committee during the 2000 election cycle.

V. 1. Respondent made an excessive contribution to the Giordano for U.S. Senate Committee in the amount of \$298,000 in violation of 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3).

2. Respondent will cease and desist from violating 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3).

3. Respondent contends that he agreed to conciliate this matter at this time and under these circumstances to avoid the expense and uncertainty of civil litigation. He further

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contends that at no point did he intend, or understand, that anything he was doing was contrary to law.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the total amount of Ninety-Nine Thousand Dollars (\$99,000) pursuant to 2 U.S.C. § 437g(a)(5)(A). Such penalty is to be paid as follows: one payment of Forty-Nine Thousand Five Hundred Dollars (\$49,500) is due by December 31, 2005, and a second payment of Forty-Nine Thousand Five Hundred Dollars (\$49,500) is due by January 31, 2006.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

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FOR THE COMMISSION:

Lawrence H. Norton  
General Counsel

BY: *Rhonda J. Vosdingh*

Rhonda J. Vosdingh

Associate General Counsel  
for Enforcement

*12/14/05*  
Date

FOR THE RESPONDENT:

*Salvatore Trovato*  
Name:

Position:

*Dec 3, 2005*  
Date

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